(d) if so, what are the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir. Reserve Bank of India has further relaxed the existing cut-off limits for clearance of import proposals.

(b) The various measures introduced by R.B.I. to regulate imports have been progressively liberalised. This has been done with a view, inter alia, to minimising the difficulties experienced by the Trade/Industry and with a view to giving a thrust to exports. The current position giving details of various relaxations made is stated below.

I. Capital goods:

(i) the import of capital goods upto the value of Rs. 50 lakhs shall be allowed by RBI against free foreign exchange.

(ii) the import of capital goods of value upto Rs. 100 lakhs shall be allowed if the importer is able to arrange suppliers' credit for 360 days.

(iii) in such cases where the importers are able to obtain credit only upto 85 per cent by way of suppliers'/buyers' credit, Reserve Bank shall consider release of free foreign exchange to finance the remaining 15 per cent provided the amount thereunder does not exceed Rs. 100 lakhs. Release of 15 per cent of foreign exchange beyond Rs. 100 lakhs will be considered where the importer is a 100 per cent Export-Oriented Unit or a Unit assuming export obligation. Imports eligible under the category of Units assuming export obligation would be only goods coming under Para 197 of the Exim Policy where the imports are made at concessional rate of duty with an export obligation of three times the import over a period of four years.

Preference will be given to the requests where the importers arrange credit for one year to fill the gap of 15 per cent. As regards import of Capital Goods of a value above Rs. 100 lakhs, the importers have to arrange credit of longer maturities of two years and above.

II. Non-Capital Goods;

Authorised dealers can now open Letters of Credit and deal in Non-letters of Credit transactions without reference to the Reserve Bank of India for prior clearance in respect of imports of all non-Capital Goods. This applies to imports of gem and jewellery (including rough diamonds) also, subject to certain conditions. Authorised dealers will have the discretion to decide on the delegation of powers to different categories of branches. However, there is no change in the existing guidelines in respect of imports under Suppliers' credit of more than 180 days.

(c) and (d) The relaxations are applicable to items of import as per the Import Trade Control Regulations

Fake 'Special Bearer Bonds'

1806. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether there are any cases of fake 'special bearer bonds' having been presented to the nationalised banks for encashment;

(b) whether any fake special bearer bonds' have been seized by Government/CBI;

(c) if so, what are the details there of; and

(d) what action has been taken by Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): (a) to (c) The Special Bearer Bonds, 1991 matured for redemption from 2nd February, 1991. Since then, it has been reported that 37 fake bearer bonds valued at Rs. 4.44 Lakhs have been presented for encashment at the following receiving offices:—

Receiving Office	No. of fake bonds received	Value (Rs. in lakhs)
Reserve Bank of India, Bombay . . .	15	1.80
Reserve Bank of India, New Delhi . . .	19	2.28
State Bank of India Goregaon Branch . .	3	0.36
TOTAL	37	4.44

(d) The cases have been reported to the local police authorities for investigation.

Income Tax Exemption on Sale of Handicrafts

1807. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether the Export Promotion Council for Handicrafts has urged the Central Government to restore the tax exemption benefits on profits from sale of handicrafts of foreign tourists under Section 80 HHC of the Income Tax Act;

(b) if so, what is the reaction of Government in this regard;

(c) whether in order to promote the export of handicrafts, Government has any other proposal to provide exemption; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) Exemption from tax granted to export profits is intended to encourage taxpayers to export rather than sall in the protected domestic market. This consideration is absent in the case of persons selling goods at shops and emporia within India. Therefore, the 100 per cent exemption allowed to exporters under section 80HHC cannot be allowed to sales to foreign tourists over the counter.

(c) and (d) There is no other proposal under tht Income-tax Act. Persons who export handicrafts outside India are already allowed exemption of the entire profits earned from the export business in terms of section 80HHC of the I.T. Act.

Interest Rates on Bank Loans

1808. SHRI KHYOMO LOTHA: Will the Minister of FINANCE be pleased to state:

(a) What are the different rates of interest charged by the Nationalised Banks on various loans, such as on Housing industries, agriculture, etc;

(b) whether Government are contemplating any concession on interest on soft loans for entreprenures and farmers living in rural areas, particularly in the far flung regions like North East for construction of houses, starting industries, agricultural farms etc; and